

June 11, 2003

Mr. Michael Isenberg  
Director, Telecommunications Division  
Department of Telecommunications and Energy  
Commonwealth of Massachusetts  
One South Station  
Boston, MA 02110

Dear Mr. Isenberg:

This is in response to your May 29, 2003 letter seeking additional information concerning Verizon Massachusetts' ("Verizon MA") recent back-billing of the E911 infrastructure charge contained in Verizon MA's tariff and interconnection agreements with CLECs.

Late in 2002, the Massachusetts Legislature passed an amendment to Chapter 239 that required the Department to establish rules implementing a new funding mechanism for the provision of wireline E911 service, relay services for TDD/TTY users, communications equipment distribution for people with disabilities, and amplified handsets at pay telephones. In March 2003, the Department opened a rulemaking to address the implementation of this new funding mechanism. In preparation for the rulemaking, Verizon MA began an analysis of the steps necessary to implement the changes required by the legislation. One of the items reviewed was Verizon MA's billing of CLECs for their use of the E911 system. During that review, we discovered that CLECs were not billed for use of the E911 system even though the Department had approved a rate of \$0.61 (DTE 17 Part M Sections 2.6.1 and 3.2.1). Consequently, we reviewed all CLEC records to determine the amount of back billing that was necessary for each CLEC. In April, 2003, Verizon MA sent a bill to each CLEC indicating the amount of the back-billing. Also in April, 2003, Verizon MA sent a notice to each affected CLEC explaining the reason for the back-bill.

Verizon MA's policy is to charge what is authorized by tariff and by interconnection agreements, and where we have failed to properly bill a customer to issue a back bill for the services provided. The ability to back-bill in such circumstances is

expressly authorized by Verizon MA's tariff. Verizon MA's tariff, DTE No. 17 Part A, Section 4.1.2.C states: "(I)n addition to the current month's charges, the monthly bill may also include previously unbilled charges or other billing adjustments." In addition, interconnection agreements include provisions stating that failure by either party to present statements in a timely manner does not constitute a waiver of the right to payment.

If Verizon MA had timely billed CLECs for the E911 infrastructure charge, the amounts collected would have been used to offset our expenses incurred in the provision of E911. Therefore, we will track the back-billing amounts and apply the amount collected to offset the E911 expenses already incurred. This would lead to a reduction in the E911 deficit and will be reported in the first annual report contemplated by the Department's proposed rules.

Finally, with respect to your request for a list of CLECs and the amounts that they were billed, attached is that list. Since the attachment contains CLEC-specific information that is proprietary in nature, the Department should treat the information confidentially and not make it available for review on the public record.

If you have any further questions regarding this issue, please feel free to contact me.

Sincerely,

Attachment

cc: Paul Vasington  
April Mulqueen